

**CITY OF GUSTAVUS, ALASKA  
ORDINANCE NO. FY11-01NCO**

**AN ORDINANCE OF THE CITY OF GUSTAVUS PLACING A BALLOT QUESTION ON  
THE OCTOBER 5<sup>TH</sup>, 2010 GENERAL ELECTION BALLOT TO APPROVE THE  
EXPENDITURE OF ENDOWMENT FUND PRINCIPAL UP TO \$150,000 TO BE  
USED TO BUILD A COMMUNITY-WIDE BROADBAND NETWORK, TO BE REPAID  
FROM INTERNET SERVICE FEES OVER EIGHT YEARS TIME WITH INTEREST**

**BE IT ENACTED BY THE GUSTAVUS CITY COUNCIL AS FOLLOWS:**

**SECTION 1. CLASSIFICATION.** This non code ordinance is of a permanent nature.

**SECTION 2. SEVERABILITY.** If any provision of this ordinance or any application to any person or circumstance is invalid, the remainder of this ordinance and application to any person or circumstance shall not be affected thereby.

**SECTION 3. PURPOSE AND FINDINGS.** The purpose of this initiative is to provide affordable broadband Internet service to all Gustavus residents. City-owned Internet service provider Gustavus Community Network (GCN) has developed a detailed design and business plan for a community-wide broadband network but has insufficient reserves for the project and has been unable to secure grant funding. Once the community-wide broadband network is built, revenues are projected to be sufficient to professionalize operations and repay the cost of the project, with interest, over the term of the loan.

**SECTION 4. ENACTMENT. NOW, THEREFORE, BE IT ENACTED** by the City of Gustavus that the following ballot question be placed on the October 5<sup>th</sup>, 2010 General Election Ballot and shall read substantially as follows:

**PROPOSITION NO. 1**

**APPROVE THE EXPENDITURE OF ENDOWMENT FUND PRINCIPAL UP TO  
\$150,000 TO BE USED TO BUILD A COMMUNITY-WIDE BROADBAND NETWORK,  
TO BE REPAID FROM INTERNET SERVICE FEES OVER EIGHT YEARS TIME  
WITH INTEREST**

Shall the City of Gustavus withdraw up to \$150,000 from the Gustavus Endowment Fund, use it to finance the construction of a community-wide wireless broadband network by the Gustavus Community Network (GCN), and, over the course of up to eight (8) years, re-deposit the loaned funds to the Gustavus Endowment Fund from GCN subscriber fees, together with five percent (5%) interest per year?

YES ☐ NO ☐

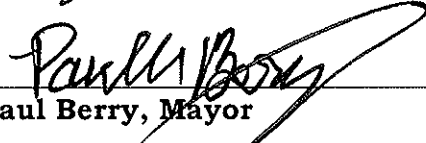
**Section 5. EFFECTIVE DATE.** This non-code ordinance shall become effective immediately on certification of election results that show a two-thirds majority of

ballots cast by qualified voters approve ballot proposition no. 1.

**DATE INTRODUCED:** July 8<sup>th</sup>, 2010

**DATE OF PUBLIC HEARING:** August 12<sup>th</sup>, 2010

PASSED and APPROVED by the Gustavus City Council this 12 day of August, 2010.

  
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Paul Berry, Mayor

  
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Attest: Kapryce Manchester  
CMC, City Clerk